

**Supplemental Reporting Document
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June 2007 Investment Committee Meeting
(April 2007 Reporting Period)**

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June 18, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Investment Transactions
- II. PROGRAM:** Public Employees' Retirement Fund
- III. RECOMMENDATION:** Information only

The following investment transaction reports relating to the Public Employees' Retirement Fund (PERF) have been completed by staff for the Investment Committee's review. The transaction reports were completed for the months of March 2007 and April 2007.

Public Employees' Retirement Fund

Fixed Income Summary and Transactions

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Internally Managed Derivative Transactions Summary

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Matthew Flynn
Division Chief

Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

FIXED INCOME TRANSACTIONS

March 2007

	PURCHASES		SALES	
Asset Class	Market Value (\$Millions)	Effective Annual Yield %	Market Value (\$Millions)	Effective Annual Yield %
Government	1,444.0	4.9	697.6	4.8
Mortgages	6,557.0	5.7	5,761.3	5.8
Sovereigns	66.6	4.9	7.4	4.9
Corporates	177.5	5.6	156.1	5.5
High Yield	0.0	0.0	32.8	8.1
Total	8,245.1	5.6	6,655.2	5.7

FIXED INCOME SUMMARY

INTERNATIONAL MANAGERS PORTFOLIO SUMMARY

External International

March 31, 2007



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FIXED INCOME MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ALLIANCE BERNSTEIN INSTITUTIONAL INVSTMT	\$958,095,542.93	14.35%	\$972,035,243.16	14.24%
BARING ASSET MANAGEMENT	\$109,093,025.93	1.63%	\$113,938,219.63	1.67%
BRANDYWINE ASSET MANAGEMENT	\$500,230,035.70	7.49%	\$509,417,592.47	7.46%
BRIDGEWATER ASSOCIATES	\$2,389,387.99	0.04%	\$2,389,387.99	0.04%
JULIUS BAER INVESTMENT MANAGEMENT INC.	\$2,253,409.69	0.03%	\$2,253,409.69	0.03%
MONDRIAN INVESTMENT PARTNERS	\$952,417,531.04	14.26%	\$971,156,309.42	14.23%
PIMCO INTL FIXED INCOME	\$1,086,775,003.44	16.28%	\$1,088,469,124.50	15.94%
ROGGE GLOBAL PARTNERS	\$1,690,949,970.32	25.33%	\$1,739,882,103.06	25.49%
WELLINGTON MANAGEMENT COMPANY	\$3,673.13	0.00%	\$3,673.13	0.00%
WESTERN ASSET MANAGEMENT	\$1,374,669,717.75	20.59%	\$1,426,958,194.36	20.90%
TOTAL	<u>\$6,676,877,297.92</u>	<u>100.00%</u>	<u>\$6,826,503,257.41</u>	<u>100.00%</u>

* INCLUDES CASH AND CASH EQUIVALENTS

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
When summing net amounts on this report, there may be breakage.

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FIXED INCOME TRANSACTIONS

INTERNATIONAL MANAGERS PORTFOLIO TRANSACTIONS

External International

March 31, 2007



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FIXED INCOME MANAGERS	PURCHASES	SALES	NET INVESTMENT	REALIZED CAPITAL GAIN/ LOSS
<i>PORTFOLIO TRANSACTIONS</i>				
ALLIANCE BERNSTEIN INSTITUTIONAL INVSTMT	\$408,078,727.00	\$355,170,416.00	\$52,908,311.00	\$3,402,315.76
BARING ASSET MANAGEMENT	\$20,633,721.00	\$89,629,440.00	(\$68,995,719.00)	\$3,896,577.72
BRANDYWINE ASSET MANAGEMENT	\$0.00	\$0.00	\$0.00	(\$0.01)
BRIDGEWATER ASSOCIATES	\$0.00	\$318,396,261.00	(\$318,396,261.00)	\$43,379,118.93
JULIUS BAER INVESTMENT MANAGEMENT INC.	\$0.00	\$178,740,923.00	(\$178,740,923.00)	\$9,025,913.23
MONDRIAN INVESTMENT PARTNERS	\$127,973,367.00	\$90,829,285.00	\$37,144,082.00	\$3,257,649.84
PIMCO INTL FIXED INCOME	\$3,964,922,409.00	\$3,647,475,100.00	\$317,447,309.00	\$1,341,535.24
ROGGE GLOBAL PARTNERS	\$340,911,976.00	\$229,553,729.00	\$111,358,247.00	\$4,554,081.03
WELLINGTON MANAGEMENT COMPANY	\$0.00	\$0.00	\$0.00	
WESTERN ASSET MANAGEMENT	\$23,023,117.00	\$136,047,653.00	(\$113,024,536.00)	\$2,626,713.68
TOTAL	\$4,885,543,317.00	\$5,045,842,807.00	(\$160,299,490.00)	\$71,483,905.42
Short-term Investment Fund	\$1,688,700,190.45	1,359,917,831.14	\$328,782,359.31	

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April-07

FIXED INCOME TRANSACTIONS

Member Home Loan Program

												This represents each program's portion of the total EAY% for all the total program: (calculated by dividing each program's par value \$amt by the total \$amt for all programs and then multiplying by each program's EAY%)
Date of			Nominal	Wgtd % of Nominal	Price	Wgtd Avg Price based on PAR value	Net Yield & (Bond Eq. Rate)	Market Value	Cost	Effective Annual Yield (to calculate see notes)	This represents the % that each loan funding contributes to that program	
Date of Commitment	Payment	Loan Type										
PURCHASES												
Sep-81	Apr-07	FNMA 15YR	5.00 %				\$ 1,641,032.77	\$ 1,657,819.00	5.06 %			
Sep-81	Apr-07	FNMA 30YR	6.00 %				\$ 1,983,689.01	\$ 1,973,996.00	6.09 %			
Sep-81	Apr-07	FNMA 30YR	5.50 %				\$ 1,273,568.86	\$ 1,279,963.00	5.58 %			
Sep-81	Apr-07	FNMA 30YR	5.50 %				\$ 2,163,590.02	\$ 2,179,723.00	5.58 %			
Sep-81	Apr-07	FNMA 30YR	6.00 %				\$ 13,491,467.39	\$ 13,509,569.00	6.09 %			
Sep-81	Apr-07	FNMA 30YR	6.00 %				\$ 2,967,777.93	\$ 2,972,101.00	6.09 %			
Sep-81	Apr-07	FNMA 30YR	6.00 %				\$ 1,424,992.80	\$ 1,427,019.00	6.09 %			
Sep-81	Apr-07	GNMA2 30YR	5.50 %				\$ 650,498.83	\$ 657,278.00	5.58 %			
Sep-81	Apr-07		5.86 %				\$ 25,596,617.61	\$ 25,657,468.00	5.94 %		5.94 %	
GRAND TOTAL OF PURCHASES:							\$ 25,596,617.61	\$25,657,468.00	5.94 %			

FIXED INCOME TRANSACTIONS
Member Home Loan Program

April-07

										This represents each program's portion of the total EAY% for all the total program: (calculated by dividing each program's par value \$amt by the total \$amt for all programs and then multiplying by each program's EAY%)												
Date of Commitment			Date of Payment		Loan Type		Nominal Rate		Wgtd % of Nominal Rate		Wgtd Avg Price based on PAR value		Net Yield & (Bond Eq. Rate)		Market Value		Cost		Effective Annual Yield (to calculate see notes)		This represents the % that each loan funding contributes to that program	

SALES

For the month of April, there were no sales for AFL-CIO, CCMF, ULLICO, FNMA & GNMA Private Securities or FNMA & GNMA Personal Loans.

High Yield Performance

Performance VS Benchmark

CalPERS High Yield

Total Rate of Return as of April 30, 2007

<u>Asset Class</u>	1 Month	3 Months	Fiscal YTD	One Year	Annualized Return Since Inception *
CalPERS High Yield	2.46%	3.19%	12.64%	12.35%	16.31%
CalPERS High Yield Cash Pay	1.34%	3.00%	12.20%	11.35%	7.80%

*Prior data is not available as the High Yield portfolio was combined with the investment grade portfolio prior to November 1999.

EQUITY SUMMARY

INTERNAL PORTFOLIO SUMMARY

Internal Domestic and International

March 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ACTIVE CURRENCY OVERLAY - INTERNAL	\$11,910.78	0.00%	\$11,910.78	0.00%
CALPERS	\$4,722,595,268.51	7.82%	\$4,864,881,370.96	4.81%
CASH EQUITIZATION	\$8,195,253.94	0.01%	\$8,195,253.94	0.01%
COMMODITIES	\$388,779,072.59	0.64%	\$398,992,332.46	0.39%
CURRENCY OVERLAY - SWER - CASH EQUITY	-\$323,589.27	0.00%	-\$323,589.27	0.00%
DOMESTIC FUNDAMENTAL	\$1,016,065,428.50	1.68%	\$1,128,672,686.13	1.12%
DOMESTIC INDEX HEDGE	-\$621,900.00	0.00%	\$150,000.00	0.00%
DYNAMIC COMPLETION FUND	\$4,049,077,653.24	6.71%	\$4,551,960,044.93	4.50%
EXTERNAL DOMESTIC EQUITY TRANSITION	\$86,068,269.61	0.14%	\$89,150,376.00	0.09%
EXTERNAL INTERNATIONAL EQUITY TRANSITION	\$14,024,288.52	0.02%	\$14,773,539.65	0.01%
FUNDAMENTAL DEVELOPED INTL (EX-TOBACCO)	\$1,045,984,710.62	1.73%	\$1,066,378,676.32	1.05%
INTERNAL INTL EQ PERF ACCTG	\$23,223,546,726.33	38.47%	\$26,580,147,672.27	26.27%
INTERNAL MICRO CAP PORTFOLIO	\$764,625,278.67	1.27%	\$800,694,365.24	0.79%
INTERNAL RELATIONAL	\$353,440,752.36	0.59%	\$543,123,044.00	0.54%
KNIGHT VINKE INTERNAL PORTFOLIO	\$147,830,273.71	0.24%	\$155,656,710.17	0.15%
NEW MOUNTAIN INTERNAL	\$100,000,000.00	0.17%	\$114,860,600.00	0.11%

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EQUITY SUMMARY

INTERNAL PORTFOLIO SUMMARY

Internal Domestic and International

March 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
PERS HOLDING FUND	\$53,353,355.09	0.09%	\$96,701,212.06	0.10%
PERS INTERNAL 2500 INDEX FUND	\$24,396,288,642.39	40.41%	\$60,783,520,856.57	60.06%
TOTAL	<u>\$60,368,941,395.59</u>	<u>100.00%</u>	<u>\$101,197,547,062.21</u>	<u>100.00%</u>

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EQUITY TRANSACTIONS

INTERNAL PORTFOLIO TRANSACTIONS

Internal Management

March 31, 2007



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INTERNAL MANAGEMENT	PURCHASES	SALES	NET INVESTMENT	REALIZED CAPITAL GAIN/ LOSS
<i>PORTFOLIO TRANSACTIONS</i>				
ACTIVE CURRENCY OVERLAY - INTERNAL	\$0.00	\$0.00	\$0.00	
RELATIONAL INVESTORS	\$1,246,870,296.00	\$1,238,508,586.00	\$8,361,710.00	\$15,065,082.00
CASH EQUITIZATION	\$127,663.00	\$154,838.00	(\$27,175.00)	\$0.00
COMMODITIES	\$488,810,000.00	\$100,000,000.00	\$388,810,000.00	\$0.00
CURRENCY OVERLAY - SWER - CASH EQUITY	\$0.00	\$0.00	\$0.00	
DOMESTIC FUNDAMENTAL	\$207,637,223.00	\$204,969,086.00	\$2,668,137.00	\$27,072,156.00
DOMESTIC INDEX HEDGE	\$7,682,350.00	\$16,428,125.00	(\$8,745,775.00)	\$10,635,325.00
DYNAMIC COMPLETION FUND	\$29,701,669.00	\$19,313,025.00	\$10,388,644.00	\$2,696,978.00
EXTERNAL DOMESTIC EQUITY TRANSITION	\$427,126,729.00	\$513,864,438.00	(\$86,737,709.00)	(\$2,576,728.00)
EXTERNAL INTERNATIONAL EQUITY TRANSITION	\$60,322.00	\$0.00	\$60,322.00	\$0.00
FUNDAMENTAL DEVELOPED INTL (EX-TOBACCO)	\$483,970,283.00	\$469,633,498.00	\$14,336,785.00	\$6,633,002.00
INTERNAL INTL EQ PERF ACCTG	\$0.00	\$0.00	\$0.00	
INTERNAL MICRO CAP PORTFOLIO	\$2,373,760.00	\$9,381,142.00	(\$7,007,382.00)	\$1,228,977.00
INTERNAL RELATIONAL	\$0.00	\$0.00	\$0.00	
KNIGHT VINKE INTERNAL PORTFOLIO	\$147,822,300.00	\$0.00	\$147,822,300.00	\$0.00
NEW MOUNTAIN INTERNAL	\$0.00	\$0.00	\$0.00	
PERS HOLDING FUND	\$0.00	\$0.00	\$0.00	
PERS INTERNAL 2500 INDEX FUND	\$723,170,344.00	\$876,134,576.00	(\$152,964,232.00)	\$460,057,226.00
TOTAL	\$3,765,352,939.00	\$3,448,387,314.00	\$316,965,625.00	\$520,812,018.00
Short-term Investment Fund	\$0.00	\$0.00	\$0.00	

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EQUITY SUMMARY AND TRANSACTIONS

Corporate Actions

PERF – 2500 Index Fund
April 1-30, 2007

- Sabre Holdings Corp (TSG) was acquired by a consortium for \$32.75 per share. CalPERS owned 538,000 shares of TSG and received \$17,619,500.00 for a gain of \$5,058,874.25.
- Intralase Corp (ILSE) was acquired by Advanced Medical Optics Inc (EYE) for \$25.00 per share. CalPERS owned 157,600 shares of ILSE and received \$3,940,000.00 for a gain of \$830,069.31.
- Safenet Inc (SFNT) was acquired by Vector Capital Corp for \$28.75 per share. CalPERS owned 302,400 shares of SFNT and received \$8,694,000.00 for a gain of \$734,810.29.
- Altris Inc (ATRS) was acquired by Symantec Corp (SYMC) for \$33.00 per share. CalPERS owned 10,600 shares of ATRS and received \$349,800.00 for a gain of \$2,010.82.
- Realogy Corp (H) was acquired by Apollo Management LP for \$30.00 per share. CalPERS owned 243,900 shares of H and received \$7,317,000.00 for a gain of \$1,025,457.19.
- Hyperion Solutions Corp (HYSL) was acquired by Oracle Corp (ORCL) for \$52.00 per share. CalPERS owned 240,650 shares of HYSL and received \$12,513,800.00 for a gain of \$8,017,962.43.
- New River Pharmaceuticals Inc (NRPH) was acquired by Shire PLC (SHP) for \$64.00 per share. CalPERS owned 73,238 shares of NRPH and received \$4,687,232.00 for a gain of \$1,748,635.11.
- TD Banknorth Inc (BNK) was acquired by Toronto-Dominion Bank (TD) for \$32.33 per share. CalPERS owned 538,390 shares of BNK and received \$17,406,148.70 for a gain of \$4,373,112.52.
- United Surgical Partners International (USPI) was acquired by Welsh Carson Anderson & Stowe for \$31.05 per share. CalPERS owned 30,700 shares of USPI and received \$953,235.00 for a gain of \$147,053.00.
- Adesa Inc (KAR) was acquired by a consortium for \$27.85 per share. CalPERS owned 335,400 shares of KAR and received \$9,340,890.00 for a gain of \$4,413,104.73.
- Wild Oats Markets Inc (OATS) was acquired by Whole Foods Market Inc (WFMI) for \$18.50 per share. CalPERS owned 21,751 shares of OATS and received \$402,393.50 for a gain of \$1,234.68.

EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

March 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
ATLANTIC ASSET MANAGEMENT	\$387,367,553.53	2.16%	\$388,181,410.65	1.91%
AXA ROSENBERG INV MGMT	\$126,836,361.85	0.71%	\$137,138,847.79	0.68%
BGI - US RUSSELL 1000 ALPHA TILTS	\$1,086,398,085.96	6.07%	\$1,202,471,836.77	5.92%
BLUM STRATEGIC PARTNERS III	\$111,375,640.00	0.62%	\$125,158,932.33	0.62%
BOSTON COMPANY ASSET MGMT	\$659,479,345.76	3.68%	\$773,773,036.60	3.81%
BREEDEN PARTNERS	\$299,560,000.00	1.67%	\$329,389,885.24	1.62%
BROADMARK-VENTURE	\$1,890,900.00	0.01%	\$0.00	0.00%
RELATIONAL INVESTORS	\$955,463,915.60	5.34%	\$1,331,658,153.29	6.56%
CALPERS HEDGE FUND - UBS	\$2,781,500,000.00	15.54%	\$3,193,019,520.50	15.72%
CALPERS HEDGE FUND PARTNERS	\$409,868,855.65	2.29%	\$780,909,590.27	3.84%
DENALI INVESTMENT ADVISORS-INVESTMENT	\$159,672,764.72	0.89%	\$184,678,719.35	0.91%
DENALI INVESTMENT ADVISORS-VENTURES	\$2,128,500.00	0.01%	\$2,904,659.65	0.01%
FRANKLIN PORTFOLIO ASSOCIATES	\$957,735,455.83	5.35%	\$1,073,084,529.81	5.28%
GEEWAX TERKER & COMPANY	\$511,579,387.32	2.86%	\$541,144,499.11	2.66%
GOLDEN - LG CORE	\$97,425.50	0.00%	\$97,425.50	0.00%
GOLDEN - LG VALUE	\$0.00	0.00%	\$0.00	0.00%
GOLDEN CAPITAL - ENHANCED LARGE CAP	\$736,847,402.50	4.12%	\$751,422,603.27	3.70%
GOLDEN CAPITAL, LLC	\$1.00	0.00%	\$0.00	0.00%
GOLDMAN SACHS SMALL CAP	\$450,304,683.31	2.52%	\$498,821,330.03	2.46%

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EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

March 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
INTECH	\$1,078,064,326.19	6.02%	\$1,226,563,216.87	6.04%
JACOBS LEVY LARGE CAP GROWTH	\$501,859,812.50	2.80%	\$504,941,504.94	2.49%
MARVIN & PALMER LARGE CAP GROWTH	\$482,151,393.16	2.69%	\$496,198,360.74	2.44%
NEW AMSTERDAM PARTNERS	\$74,506,814.35	0.42%	\$79,631,944.51	0.39%
NEW MOUNTAIN CAPITAL	\$200,000,000.00	1.12%	\$215,403,600.00	1.06%
PIEDMONT LARGE CAP CORE	\$96,099,160.91	0.54%	\$97,907,981.60	0.48%
PIEDMONT VENTURES	\$3,207,928.65	0.02%	\$3,207,928.65	0.02%
PZENA INVESTMENT MGMT	\$688,606,100.43	3.85%	\$802,534,453.22	3.95%
QMA	\$949,542,628.34	5.30%	\$1,066,424,514.85	5.25%
RIGEL CAPITAL MGMT-LARGE CAP GROWTH	\$186,012,818.43	1.04%	\$198,700,362.14	0.98%
RIGEL CAPITAL MGMT-SMALL/MID GROWTH	\$12,636.02	0.00%	\$12,636.02	0.00%
RIGEL CAPITAL MGMT-VENTURES	\$238,095.48	0.00%	\$395,396.83	0.00%
SANFORD C. BERSTEIN & CO.	\$685,785,482.81	3.83%	\$802,594,928.06	3.95%
SHAMROCK PARTNERS GOVERNANCE FUND, LLC	\$97,754,989.00	0.55%	\$113,654,153.68	0.56%
SHENANDOAH	\$144,967,602.53	0.81%	\$157,972,844.98	0.78%
SHENANDOAH ASSET MGMT SMID	\$8,122.34	0.00%	\$8,122.34	0.00%
SHENANDOAH ASSET MGMT-VENTURES	\$1,475,752.41	0.01%	\$733,252.67	0.00%
SMITH ASSET-LARGE CAP	\$198,993,863.06	1.11%	\$231,649,863.91	1.14%
SMITH ASSET-SMALL CAP	\$95,001,501.69	0.53%	\$119,314,443.64	0.59%

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EQUITY SUMMARY

DOMESTIC MANAGERS PORTFOLIO SUMMARY

External Domestic

March 31, 2007



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
SMITH ASSET-VENTURES	\$0.00	0.00%	\$318,965.36	0.00%
SMITH BREEDEN	\$657,914,620.28	3.68%	\$657,814,995.63	3.24%
SMITH GRAHAM & CO VENTURES	\$2,970,000.00	0.02%	\$2,970,000.00	0.01%
SSGA ENVIRO DOMESTIC	\$76,594,516.79	0.43%	\$86,629,937.63	0.43%
STUX CAPITAL MGMT-INVESTMENTS	\$244,742,520.18	1.37%	\$269,250,328.88	1.33%
STUX CAPITAL MGMT-VENTURES	\$1,142,857.15	0.01%	\$1,143,683.44	0.01%
T. ROWE PRICE	\$620,816,906.81	3.47%	\$666,402,676.99	3.28%
TIMELESS INV & RES MGMT - VENTURE	\$1,302,347.08	0.01%	\$805,661.86	0.00%
TURNER LARGE CAP GROWTH	\$505,910,214.64	2.83%	\$527,752,925.64	2.60%
WAMCO	\$668,621,307.85	3.73%	\$669,266,350.64	3.29%
TOTAL	<u>\$17,902,410,597.61</u>	<u>100.00%</u>	<u>\$20,314,060,015.88</u>	<u>100.00%</u>

* INCLUDES CASH AND CASH EQUIVALENTS

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

External Domestic

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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
ATLANTIC ASSET MANAGEMENT	\$89,093,691.00	\$75,735,912.00	\$13,357,779.00	\$74,720.23
AXA ROSENBERG INV MGMT	\$23,105,146.00	\$23,261,032.00	(\$155,886.00)	\$749,564.23
BGI - US RUSSELL 1000 ALPHA TILTS	\$95,349,125.00	\$92,822,687.00	\$2,526,438.00	\$9,587,037.56
BLUM STRATEGIC PARTNERS III	\$5,139,803.00	\$0.00	\$5,139,803.00	\$0.00
BOSTON COMPANY ASSET MGMT	\$59,816,618.00	\$59,988,178.00	(\$171,560.00)	\$5,278,887.26
BREEDEN PARTNERS	\$18,000,000.00	\$0.00	\$18,000,000.00	\$0.00
BROADMARK-VENTURE	\$0.00	\$0.00	\$0.00	
RELATIONAL INVESTORS	\$90,800,000.00	\$12,118,759.00	\$78,681,241.00	\$2,457,753.05
CALPERS HEDGE FUND - UBS	\$110,000,000.00	\$227,387.00	\$109,772,613.00	\$227,387.33
CALPERS HEDGE FUND PARTNERS	\$0.00	\$323,229.00	(\$323,229.00)	\$323,228.67
DENALI INVESTMENT ADVISORS-INVESTM	\$17,114,698.00	\$16,804,179.00	\$310,519.00	\$1,555,788.53
DENALI INVESTMENT ADVISORS-VENTURE	\$0.00	\$0.00	\$0.00	
FRANKLIN PORTFOLIO ASSOCIATES	\$88,946,059.00	\$83,717,592.00	\$5,228,467.00	\$9,856,660.25
GEEWAX TERKER & COMPANY	\$89,428,683.00	\$87,238,490.00	\$2,190,193.00	\$1,589,828.21
GOLDEN - LG CORE	\$0.00	\$0.00	\$0.00	\$0.00
GOLDEN - LG VALUE	\$0.00	\$0.00	\$0.00	\$0.00

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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
GOLDEN CAPITAL - ENHANCED LARGE C	\$30,818,791.00	\$30,369,366.00	\$449,425.00	(\$21,489.09)
GOLDEN CAPITAL, LLC	\$0.00	\$0.00	\$0.00	
GOLDMAN SACHS SMALL CAP	\$40,500,525.00	\$39,632,554.00	\$867,971.00	\$1,593,664.66
INTECH	\$85,654,722.00	\$83,185,918.00	\$2,468,804.00	\$7,407,431.75
JACOBS LEVY LARGE CAP GROWTH	\$71,752,523.00	\$78,185,211.00	(\$6,432,688.00)	\$976,778.82
MARVIN & PALMER LARGE CAP GROWTH	\$138,401,803.00	\$137,333,567.00	\$1,068,236.00	(\$4,597,213.47)
NEW AMSTERDAM PARTNERS	\$207,852.00	\$224,169.00	(\$16,317.00)	\$0.00
NEW MOUNTAIN CAPITAL	\$0.00	\$0.00	\$0.00	
PIEDMONT LARGE CAP CORE	\$2,393,886.00	\$2,378,658.00	\$15,228.00	\$45,952.81
PIEDMONT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
PZENA INVESTMENT MGMT	\$23,035,500.00	\$21,621,214.00	\$1,414,286.00	\$1,359,858.97
QMA	\$85,898,236.00	\$79,868,205.00	\$6,030,031.00	\$9,243,964.82
RIGEL CAPITAL MGMT-LARGE CAP GROW	\$71,057,261.00	\$73,007,362.00	(\$1,950,101.00)	\$22,338.95
RIGEL CAPITAL MGMT-SMALL/MID GROWT	\$77,788.00	\$65,517,207.00	(\$65,439,419.00)	\$3,753,571.44
RIGEL CAPITAL MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
SANFORD C. BERSTEIN & CO.	\$65,888,466.00	\$69,447,994.00	(\$3,559,528.00)	\$9,538,542.66

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

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STATE STREET.
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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
SHAMROCK PARTNERS GOVERNANCE FU	\$0.00	\$0.00	\$0.00	
SHENANDOAH	\$2,286,449.00	\$4,020,393.00	(\$1,733,944.00)	\$539,968.45
SHENANDOAH ASSET MGMT SMID	\$2,561.00	\$27,511,572.00	(\$27,509,011.00)	\$512,294.39
SHENANDOAH ASSET MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
SMITH ASSET-LARGE CAP	\$22,845,083.00	\$22,134,878.00	\$710,205.00	\$1,474,313.33
SMITH ASSET-SMALL CAP	\$23,148,593.00	\$15,995,862.00	\$7,152,731.00	\$890,794.57
SMITH ASSET-VENTURES	\$0.00	\$0.00	\$0.00	
SMITH BREEDEN	\$200,004,454.00	\$183,550,862.00	\$16,453,592.00	\$406,370.29
SMITH GRAHAM & CO VENTURES	\$0.00	\$0.00	\$0.00	
SSGA ENVIRO DOMESTIC	\$10,123,666.00	\$10,007,652.00	\$116,014.00	\$143,813.23
STUX CAPITAL MGMT-INVESTMENTS	\$47,456,966.00	\$46,545,767.00	\$911,199.00	\$5,889,706.75
STUX CAPITAL MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
T. ROWE PRICE	\$51,906,070.00	\$49,367,808.00	\$2,538,262.00	\$1,861,354.27
TIMELESS INV & RES MGMT - VENTURE	\$0.00	\$0.00	\$0.00	
TURNER LARGE CAP GROWTH	\$49,598,653.00	\$57,215,206.00	(\$7,616,553.00)	\$1,396,387.52
WAMCO	\$156,311,582.00	\$135,398,584.00	\$20,912,998.00	\$244,185.78

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EQUITY TRANSACTIONS

DOMESTIC MANAGERS PORTFOLIO TRANSACTIONS

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STATE STREET.
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<u>EQUITY MANAGERS</u>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
TOTAL	\$1,866,165,253.00	\$1,684,757,454.00	\$181,407,799.00	\$74,383,446.22
Short-term Investment Fund	\$2,530,749.50	\$4,290,065.33	(\$1,759,315.83)	

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EQUITY SUMMARY

INTERNATIONAL MANAGERS

External International



STATE STREET.
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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
47 DEGREES NORTH FUND OF EMERGING FUNDS	\$100,000,000.00	0.56%	\$100,000,000.00	0.40%
ACADIAN ASSET MANAGEMENT	\$1,067,598,951.00	5.96%	\$1,267,779,368.20	5.13%
ACTIVE VALUE FUND - CALPERS	\$843,953.14	0.00%	\$843,953.14	0.00%
ALLIANCE BERSTEIN	\$1,121,210,547.09	6.26%	\$1,721,086,225.50	6.96%
ALLIANCE LARGE CAP GROWTH	\$527,571,233.08	2.95%	\$623,864,447.19	2.52%
ALLIANCE STRATEGIC VALUE	\$570,147,756.89	3.18%	\$726,010,649.52	2.94%
AQR CAPITAL MANAGEMENT, LLC	\$1,021,447,214.36	5.70%	\$1,236,528,639.68	5.00%
ARROWSTREET CAPITAL	\$950,785,923.50	5.31%	\$1,130,171,166.26	4.57%
ARROWSTREET CAPITAL L.P. - VENTURES	\$627,500.00	0.00%	\$21,014,754.75	0.09%
ARROWSTREET-INVESTMENTS	\$164,232,078.67	0.92%	\$195,866,641.94	0.79%
ARTISAN PARTNERS, LP.	\$1,577.00	0.00%	\$1,577.00	0.00%
AXA ROSENBERG INVESTMENT MANAGEMENT LLC	\$1,070,115,008.45	5.98%	\$1,448,490,421.54	5.86%
BAILLIE GIFFORD OVERSEAS LTD	\$705,717,685.72	3.94%	\$1,155,044,692.89	4.67%
BARING INTERNATIONAL INVESTMENT, LTD.	\$699,635,388.96	3.91%	\$905,005,725.90	3.66%
BGI - INTL ALPHA TILTS	\$1,140,604,022.05	6.37%	\$1,393,498,511.79	5.64%
BRANDYWINE ASSET MGMT	\$77,940,192.37	0.44%	\$85,183,649.04	0.34%
CAPITAL GUARDIAN TRUST COMPANY	\$555,801,171.14	3.10%	\$790,381,601.47	3.20%
DIMENSIONAL FUND ADVISORS, INC.	\$769,040,911.27	4.29%	\$1,793,438,894.53	7.25%
ERMITAGE EUROPEAN FUND OF FUNDS	\$125,000,000.00	0.70%	\$134,312,500.00	0.54%
EUROPANEL EUROPEAN FUND OF FUNDS	\$100,000,000.00	0.56%	\$105,243,100.00	0.43%

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EQUITY SUMMARY

INTERNATIONAL MANAGERS

External International



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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
FORTRESS - GAGFAH	\$101,470,966.83	0.57%	\$113,885,644.09	0.46%
FORTRESS - GAGFAH OVERLAY	-\$3,953,727.22	-0.02%	-\$3,953,727.22	-0.02%
GENESIS ASSET MANAGERS	\$1,157,039,925.17	6.46%	\$1,712,601,892.68	6.93%
GOVERNANCE FOR OWNERS	\$199,607,737.17	1.11%	\$224,438,193.43	0.91%
GRANTHAM, MAYO, VO & CO., LLC	\$756,409,551.39	4.22%	\$1,110,987,226.95	4.49%
HERMES EUROPEAN FUND	\$100,000,000.00	0.56%	\$265,536,474.53	1.07%
HERMES FOCUS ASSET MANAGEMENT LIMITED	\$218,873,996.78	1.22%	\$426,208,544.99	1.72%
INTERNATIONAL REIT	\$529,914,702.18	2.96%	\$696,009,873.49	2.82%
KCB ASIAN FUND OF FUNDS	\$150,000,000.00	0.84%	\$158,179,800.00	0.64%
KNIGHT VINKE INSTITUTIONAL PARTNERS	\$69,229,532.65	0.39%	\$106,310,258.91	0.43%
NEW STAR INSTITUTIONAL MANAGERS LTD.	\$547,900,237.06	3.06%	\$657,121,905.07	2.66%
NOMURA ASSET MANAGEMENT USA INC.	\$861,079,202.67	4.81%	\$1,182,609,966.56	4.78%
NORTHROAD CAPITAL MGMT - VENTURES	\$1,453,721.26	0.01%	\$1,742,290.74	0.01%
NORTHROAD CAPITAL MGMT-INVESTMENTS	\$119,163,355.73	0.67%	\$160,042,135.61	0.65%
OECHSLE INTERNATIONAL ADVISORS	\$45.08	0.00%	\$45.08	0.00%
PARETO CURRENCY OVERLAY	-\$153,793,121.08	-0.86%	-\$153,793,121.08	-0.62%
PYRFORD INTL PLC-INVESTMENTS	\$118,120,720.30	0.66%	\$160,597,510.25	0.65%
PYRFORD INTL PLC-VENTURES	\$24,066.74	0.00%	\$465,781.26	0.00%
QMA INTERNATIONAL	\$852,644,533.10	4.76%	\$969,984,805.29	3.92%
ROBECO USA	\$493,432,888.39	2.76%	\$605,984,569.63	2.45%

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EQUITY SUMMARY

INTERNATIONAL MANAGERS

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EQUITY MANAGERS:

<i>PORTFOLIO SUMMARY</i>	<u>BOOK VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>
SPARX ASIAN FUND OF FUNDS	\$75,000,000.00	0.42%	\$78,742,950.00	0.32%
SPARX VALUE CREATION FUND	\$261,357,092.27	1.46%	\$426,508,377.52	1.73%
SSGA CURRENCY FORWARDS	-\$20,235,730.58	-0.11%	-\$20,235,730.58	-0.08%
SSGA ENVIRO INTL	\$106,702,313.35	0.60%	\$126,246,628.66	0.51%
STATE STREET BANK AND TRUST COMPANY	\$1,939,537.66	0.01%	\$1,939,537.66	0.01%
TAIYO FUND MANAGEMENT CO. LLC	\$295,284,924.00	1.65%	\$559,129,090.43	2.26%
UBS EUROPEAN FUND OF FUNDS	\$150,000,000.00	0.84%	\$162,518,700.00	0.66%
VISION ASIAN FUND OF FUNDS	\$150,000,000.00	0.84%	\$158,828,850.00	0.64%
TOTAL	<u>\$17,906,987,585.59</u>	<u>100.00%</u>	<u>\$24,722,404,994.29</u>	<u>100.00%</u>

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EQUITY TRANSACTIONS

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EQUITY MANAGERS:

	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
47 DEGREES NORTH FUND OF EMERGING FUNDS	\$100,000,000.00	\$0.00	\$100,000,000.00	\$0.00
ACADIAN ASSET MANAGEMENT	\$184,022,452.00	\$178,035,750.00	\$5,986,702.00	\$26,285,273.95
ACTIVE VALUE FUND - CALPERS	\$0.00	\$0.00	\$0.00	
ALLIANCE BERSTEIN	\$26,753,888.00	\$108,956,314.00	(\$82,202,426.00)	\$42,339,562.88
ALLIANCE LARGE CAP GROWTH	\$54,348,275.00	\$53,639,468.00	\$708,807.00	\$1,618,147.99
ALLIANCE STRATEGIC VALUE	\$100,116.00	\$10,256,203.00	(\$10,156,087.00)	\$3,660,710.47
AQR CAPITAL MANAGEMENT, LLC	\$65,410,875.00	\$59,152,564.00	\$6,258,311.00	\$684,729.30
ARROWSTREET CAPITAL	\$216,551,015.00	\$221,565,738.00	(\$5,014,723.00)	\$17,199,514.11
ARROWSTREET CAPITAL L.P. - VENTURES	\$0.00	\$0.00	\$0.00	
ARROWSTREET-INVESTMENTS	\$38,350,644.00	\$39,090,479.00	(\$739,835.00)	\$3,596,904.24
ARTISAN PARTNERS, LP.	\$0.00	\$0.00	\$0.00	
AXA ROSENBERG INVESTMENT MANAGEMENT LLC	\$74,844,854.00	\$74,941,449.00	(\$96,595.00)	\$19,105,245.32
BAILLIE GIFFORD OVERSEAS LTD	\$11,773,272.00	\$27,230,839.00	(\$15,457,567.00)	\$12,885,881.32
BARING INTERNATIONAL INVESTMENT, LTD.	\$41,539,441.00	\$41,496,307.00	\$43,134.00	\$8,041,421.23
BGI - INTL ALPHA TILTS	\$72,702,679.00	\$77,566,688.00	(\$4,864,009.00)	\$13,317,475.86
BRANDYWINE ASSET MGMT	\$6,471,574.00	\$2,498,943.00	\$3,972,631.00	\$120,885.37
CAPITAL GUARDIAN TRUST COMPANY	\$253,983,999.00	\$254,820,620.00	(\$836,621.00)	\$8,131,968.47
DIMENSIONAL FUND ADVISORS, INC.	\$5,985,786.00	\$84,897,305.00	(\$78,911,519.00)	\$55,496,953.76
ERMITAGE EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
EUROPANEL EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
FORTRESS - GAGFAH	\$0.00	\$0.00	\$0.00	
FORTRESS - GAGFAH OVERLAY	\$0.00	\$0.00	\$0.00	

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EQUITY TRANSACTIONS

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EQUITY MANAGERS:

	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
<i>PORTFOLIO TRANSACTIONS</i>				
GENESIS ASSET MANAGERS	\$38,580,621.00	\$112,333,893.00	(\$73,753,272.00)	\$38,795,032.36
GOVERNANCE FOR OWNERS	\$0.00	\$0.00	\$0.00	
GRANTHAM, MAYO, VO & CO., LLC	\$317,965,191.00	\$320,774,521.00	(\$2,809,330.00)	\$6,822,502.08
HERMES EUROPEAN FUND	\$0.00	\$0.00	\$0.00	
HERMES FOCUS ASSET MANAGEMENT LIMITED	\$0.00	\$0.00	\$0.00	
INTERNATIONAL REIT	\$12,627,721.00	\$10,727,909.00	\$1,899,812.00	\$32,985.75
KCB ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
KNIGHT VINKE INSTITUTIONAL PARTNERS	\$0.00	\$0.00	\$0.00	
NEW STAR INSTITUTIONAL MANAGERS LTD.	\$34,574,883.00	\$34,774,976.00	(\$200,093.00)	\$4,299,043.83
NOMURA ASSET MANAGEMENT USA INC.	\$50,931,883.00	\$56,052,011.00	(\$5,120,128.00)	\$11,175,804.57
NORTHROAD CAPITAL MGMT - VENTURES	\$0.00	\$0.00	\$0.00	
NORTHROAD CAPITAL MGMT-INVESTMENTS	\$5,930,972.00	\$3,764,856.00	\$2,166,116.00	\$872,207.27
OECHSLE INTERNATIONAL ADVISORS	\$0.00	\$0.00	\$0.00	
PARETO CURRENCY OVERLAY	\$0.00	\$0.00	\$0.00	
PHILLIPE INVTMT MGMT-VENTURES	\$0.00	\$0.00	\$0.00	
PYRFORD INTL PLC-INVESTMENTS	\$1,507,299.00	\$2,273,230.00	(\$765,931.00)	\$851,661.96
PYRFORD INTL PLC-VENTURES	\$0.00	\$0.00	\$0.00	
QMA INTERNATIONAL	\$68,462,945.00	\$67,318,951.00	\$1,143,994.00	\$6,176,746.23
ROBECO USA	\$79,760,473.00	\$77,216,783.00	\$2,543,690.00	\$10,084,885.10
SPARX ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
SPARX VALUE CREATION FUND	\$0.00	\$887,068.00	(\$887,068.00)	\$0.00
SSGA CURRENCY FORWARDS	\$0.00	\$0.00	\$0.00	

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EQUITY TRANSACTIONS

INTERNATIONAL MANAGERS

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EQUITY MANAGERS:

<i>PORTFOLIO TRANSACTIONS</i>	<u>PURCHASES</u>	<u>SALES</u>	<u>NET INVESTMENT</u>	<u>REALIZED CAPITAL GAIN/ LOSS</u>
SSGA ENVIRO INTL	\$8,920,067.00	\$9,398,059.00	(\$477,992.00)	\$1,539,422.92
STATE STREET BANK AND TRUST COMPANY	\$0.00	\$0.00	\$0.00	\$0.00
TAIYO FUND MANAGEMENT CO. LLC	\$0.00	\$0.00	\$0.00	
UBS EUROPEAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
VISION ASIAN FUND OF FUNDS	\$0.00	\$0.00	\$0.00	
TOTAL	\$1,772,100,925.00	\$1,929,670,924.00	(\$157,569,999.00)	\$293,134,966.34
Short- Term Investment Fund	\$386,935,245.01	\$409,075,480.97	(\$22,140,235.96)	

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CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR MARCH 2007

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS EQUITY SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
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DISPOSITIONS

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Total :

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ACQUISITIONS ***

Kennedy Associates	CURE	217 Humboldt Court	Sunnyvale	CA	N/A	03/13/07	N/A	N/A	7,902,720	16.6%	Acquisition
Miller Capital/IMI	Retail	The Shops at Sunset Place	South Miami	FL	N/A	03/15/07	N/A	N/A	33,660,000	14.0%	Acquisition
LaSalle/CalEast	Industrial	NATM – 6 Pioneer Drive	North Oxford	MA	N/A	03/22/07	N/A	N/A	2,266,286	11.0%	Acquisition
Centerline Urban Capital	CURE	Jefferson at City Gate	Denver	CO	N/A	03/30/07	N/A	N/A	13,463,798	13.6%	Acquisition

Total :

57,292,804

Footnotes

- * The most recent appraised values and historic cost values represent CalPERS' share only.
- * Based upon data provided by partners.
- ** Based on funding settlement date.
- *** See brief descriptions - As attached.

NEW ACQUISITION SUMMARY

Advisor Name: Kennedy Associates Real Estate Counsel, LP.

Property Name: 217 Humboldt Court (part of the Silicon Valley Office R&D Portfolio)

City, State: Sunnyvale, California

Ownership: Capital commitment: CalPERS 96%; Kennedy 4%

Acquisition Date: March 13, 2007

Total Project Size: Site area 4.15 `acres

Net Rentable Square Feet: 60,167 sf

Project Purchase Price (CalPERS Equity)*: \$8,231,200 (at 100%)
\$7,902,720 (CalPERS Share at 96.0%)

Leverage Portion of Purchase*: \$5,950,000 (at 100%)
\$5,712.000 (CalPERS Share at 96.0%)

Property Highlights/Investment Summary:

217 Humboldt Court is a vacant office/R&D facility located in Santa Clara County. The property is a single-story, 60,167 sf building, centered on 4.15 acres, with park-like landscaping and 227 (3.78/1,000 sf) surface parking spaces.

Property location, sub-market description:
Silicon Valley/Sunnyvale/Moffett Park (Santa Clara County)

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

Year built – 1981; Developer – Lincoln Property Company, Inc. – Single-story Office/R&D

Summary leasing details, percentage leased, and historical lease rate percentages:

Vacant building

Projected After Fee Internal Rate of Return:

16.6% (4yr after fee leveraged)

NEW ACQUISITION SUMMARY

Advisor Name:	Miller Capital Advisory, Inc.
Property Name:	The Shops at Sunset Place
City, State:	South Miami, FL
Ownership:	37.5%
Acquisition Date:	3/15/07
Total Project Size:	514,777 square feet
Project Purchase Price (CalPERS Equity):	\$33,660,000

Property Highlights/Investment Summary:

Property location, sub-market description:

The property is located in South Miami, a community that features extraordinary population and building density. A five mile ring around the property reveals a population of 309,036 people and average household incomes of \$85,435.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

The property was built in 1998-1999 as a three level mixed-use retail entertainment center. The property features 514,777 of leasable area with major tenants AMC Theater, L.A. Fitness, Niketown, Gameworks and Barnes & Noble. Parking is provided for by a 1,765 space, eight level parking garage adjacent to the retail center.

Summary leasing details, percentage leased, and historical lease rate percentages:

The total property was 80.7% leased at closing. The property's non-anchor space was 84.5% leased at closing.

Projected After Fee Internal Rate of Return:

14.0%

NEW ACQUISITION SUMMARY

Advisor Name:	LaSalle Investment Management
Property Name:	NATM – 6 Pioneer Drive
City, State:	North Oxford, MA
Ownership:	100% fee simple
Acquisition Date:	March 22, 2007
Total Project Size:	\$5,850,000
Net Rentable Square Feet:	90,400 square feet
Project Purchase Price (CalPERS Equity)*:	\$2,266,286
Leverage Portion of Purchase*:	\$3,528,000 (98% of \$3,600,000)

Property Highlights/Investment Summary:

Property location, sub-market description:

The terminal is located one mile from the intersection of I-90 (Massachusetts Turnpike) and I-395. North Oxford is centrally located between Boston (30 miles to the east), Springfield and Hartford (35 miles to the west), and Providence (30 miles south). The property is located less than 10 miles from Worcester, Massachusetts, a city emerging as a center for research and the production of a number of high-technology products. Worcester's central location and network of roads and railways ensures that it will continue to be a major New England retail and distribution center. The Port of Worcester is one of the nation's largest inland container yards, and its terminals serve as railheads for export or domestic shipments of containerized freight from New England to the West Coast. The Boston-Worcester-Manchester freight terminal market consists of 120 buildings ranging in size from 16 to 92 doors, yielding an average of 38-doors per terminal and a median terminal size of 30-doors.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

We are acquiring a fee simple interest in a 90,400 square foot, 80-door cross-dock terminal, a 3,100 square foot maintenance facility and 370 square foot fire pump building located on 21 acres.

Summary leasing details, percentage leased, and historical lease rate percentages:

The property is 100% leased to Jevic Transportation. The acquisition is a sale leaseback transaction. Pursuant to the sale, Jevic Transportation will sign a two-year lease for \$588 per door triple-net with three percent annual escalations. In addition, the lease includes two, five-year options with three percent annual escalations throughout the extension periods. Upon expiration of the two-year lease, the pro forma conservatively assumes three months downtime before leasing up at the market rent. Based on discussions with brokers and an independent market study commissioned as part of due diligence, the 2007 market rent assumption in the pro forma is \$588 per door triple-net. Further supporting the acquisition price, the market study estimates a replacement cost of approximately \$6.7 million for this property.

Projected After Fee Internal Rate of Return:

11%

NEW ACQUISITION SUMMARY

Advisor Name:	Centerline Urban Capital I, LLC
Property Name:	Jefferson at City Gate
City, State:	Denver, Colorado
Ownership:	95% - Centerline Urban Capital
Acquisition Date:	March 30, 2007
Total Project Size:	\$39,350,148 Total Project Basis
Net Rentable Square Feet:	206,338
Project Purchase Price (CalPERS Equity)*:	\$13,463,798 Commitment (\$13,809,024 x 97.5%) At closing, the funding amount was \$13,463,798
Leverage Portion of Purchase*:	\$22,878,375 (\$24,700,000 x 95% x 97.5%)

Property Highlights/Investment Summary:

Property location, sub-market description:

Centerline Urban Capital I, LLC ("Centerline Urban") provided a \$13.8 million Investment (Joint Venture Equity) for the acquisition of a 241-unit apartment community with an address of 2890 Brighton Boulevard in the City of Denver, Colorado (the "Property"). The sponsor is the Sares Regis Group. The Property is located on Brighton Boulevard, a major thoroughfare that connects Downtown Denver to Interstate 70. Built in 2004, the Property is in close proximity to the employment, shopping and entertainment centers of Denver.

The Property is part of a push by the City of Denver to redevelop commercial and industrial improved property within Downtown. The immediate neighborhood is primarily commercial and industrial in nature. The Lower Downtown ("LoDo") neighborhood is located approximately 0.5 miles west of the Property. The LoDo neighborhood has undergone a major gentrification during the last 15 years, with numerous major residential and retail projects coming on-line. The neighborhood is a desirable place to live, and is a destination for entertainment and dining. Coors Field, the home of the Major League Baseball Colorado Rockies, is located in LoDo in close proximity to Jefferson at City Gate. Coors Field has served as a major catalyst for the redevelopment of the area. The major traffic arteries located in the neighborhood are Brighton Boulevard, Interstate 70, and Interstate 25. Residents of Jefferson at City Gate benefit from easy access to the major Denver traffic corridors.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

Completed in 2004, the Property is a newly constructed Class "A" community consisting of 241 units. The original developer is Jefferson Properties (JPI). The Property is a three and four-story wrap-style community with elevator service. The Property is of wood frame construction with a composition shingle roof and includes a concrete parking garage at its center with direct walking access points for its residents on each level. The Property features a heated swimming pool, leasing center, fitness center, business center, storage units, movie theatre, controlled

access, coffee bar and garage parking. Jefferson at City Gate has 33 distinct floor plans that consist of flat, mezzanine, and loft-styles. Unit amenities include full-size washer/dryer connections (approximately 70% of units include the washer/dryer appliance), private patios or balconies, walk-in closets, wired high-speed internet access, hardwood floor and berber carpet (in select units), and vaulted ceilings (in select units). The property has 378 parking spaces.

Summary leasing details, percentage leased, and historical lease rate percentages:

Average rent (as of March 2007) is \$1,030 at 93.0% occupancy.

Projected After Fee Internal Rate of Return:

13.6% IRR.

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - April 2007

Partnerships	Date	Transaction	Amount
Aberdare Ventures Partners III	4.27.07	Capital call	\$1,350,000.00
ACP IV	4.2.07	Capital call	\$1,125,000.00
Advent Latin American PE III-D	4.30.07	Capital call	\$1,500,000.00
AIF VI Euro Holdings	4.24.07	Capital call	\$18,256,154.00
Alta California Partners II	4.23.07	Capital call	\$750,000.00
Alta Partners VIII	4.2.07	Capital call	\$1,500,000.00
Apollo Investment Fund VI	4.4.07	Capital call	\$58,896,922.00
	4.24.07	Capital call	\$1,544,617.00
Apollo SVF Management	4.2.07	Capital call	\$50,000,000.00
Ares Corporate Opportunities Fund	4.17.07	Capital call	\$1,064,185.94
Ares Corporate Opportunities Fund II	4.17.07	Capital call	\$488,055.19
	4.18.07	Capital call	\$2,421,307.51
Audax Mezzanine Fund II	4.2.07	Capital call	\$3,111,743.00
	4.26.07	Capital call	\$65,205.62
Aurora Equity Partners II	4.2.07	Capital call	\$89,415.00
Aurora Equity Partners III	4.23.07	Capital call	\$513,854.00
Avenue Asia Special Situations Fund IV	4.5.07	Capital call	\$4,000,000.00
	4.26.07	Capital call	\$15,000,000.00
Banc of America California Community	4.3.07	Capital call	\$1,887,189.29
Blackstone Capital PartnersV	4.18.07	Capital call	\$19,960,132.00
Blackstone GT Communications	4.20.07	Capital call	\$509,840.00
Capital Link Fund I	4.2.07	Capital call	\$1,000,000.00
Carlyle Asia Growth III	4.19.07	Capital call	\$1,493,812.00
Carlyle Asia Partners II	4.16.07	Capital call	\$8,798,158.00
Carlyle Asia Partners [PVII]	4.13.07	Capital call	\$8,871,633.00
Carlyle Riverstone II	4.30.07	Capital call	\$394,545.57

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - April 2007

Partnerships	Date	Transaction	Amount
Carlyle Riverstone III	4.20.07	Capital call	\$35,389,269.76
CEV	4.4.07	Capital call	\$393,000.00
	4.26.07	Capital call	\$1,600,000.00
CEV II	4.12.07	Capital call	\$1,844,150.00
	4.27.07	Capital call	\$1,893,300.00
CEV III	4.3.07	Capital call	\$1,558,580.00
	4.12.07	Capital call	\$523,900.00
	4.25.07	Capital call	\$1,479,500.00
CEV IV	4.5.07	Capital call	\$1,260,770.00
	4.10.07	Capital call	\$2,710,730.00
	4.24.07	Capital call	\$1,028,200.00
CIP Grey Partnership	4.16.07	Capital call	\$10,952,925.00
Clearstone Venture III-A	4.5.07	Capital call	\$500,000.00
Clearwater Capital III	4.5.07	Capital call	\$8,190,356.02
Clessidra SGR S.p.A.	4.2.07	Capital call	\$434,203.00
Craton Equity Investors I	4.30.07	Capital call	\$1,030,548.00
DFJ Frontier Fund	4.30.07	Capital call	\$1,000,000.00
Doyle & Boissiere	4.10.07	Capital call	\$114,672.00
Falconhead Capital II	4.19.07	Capital call	\$790,453.00
Falconhead II AIV [Offshore]	4.19.07	Capital call	\$2,100,736.00
FFC Partners III	4.2.07	Capital call	\$110,187.00
	4.16.07	Capital call	\$2,556,568.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - April 2007

Partnerships	Date	Transaction	Amount
First Reserve Fund X	4.18.07	Capital call	\$2,401,747.00
First Reserve Fund XI	4.27.07	Capital call	\$14,268,599.00
FR XI Offshore AIV	4.20.07	Capital call	\$4,153,571.00
Francisco Partners II	4.2.07	Capital call	\$1,750,000.00
	4.9.07	Capital call	\$9,187,500.00
Golden State Investment Fund	4.17.07	Capital call	\$1,093,750.00
Granite Global Ventures III	4.19.07	Capital call	\$3,000,000.00
Ironbridge Capital 2003/4	4.24.07	Capital call	\$373,600.00
Ironbridge II [TMF Luton]	4.24.07	Capital call	\$15,808,000.00
ITU Ventures III	4.17.07	Capital call	\$24,792.00
KKR 2006 Fund #1	4.3.07	Capital call	\$619,000.00
KKR European Fund II A/C #1	4.2.07	Capital call	\$1,011,360.00
KKR Millennium [Overseas]	4.2.07	Capital call	\$131,000.00
Lexington Middle Market	4.23.07	Capital call	\$909,094.00
Lime Rock Partners III	4.5.07	Capital call	\$1,039,173.00
Lombard Asia III	4.12.07	Capital call	\$530,000.00
MHR Institutional Partners III	4.19.07	Capital call	\$7,500,000.00
NEA 12	4.11.07	Capital call	\$2,000,000.00
New Mountain Partners II	4.20.07	Capital call	\$16,099,244.00
Newbridge Asia IV	4.9.07	Capital call	\$10,145,717.00
	4.26.07	Capital call	\$8,070,456.00
NGEN II	4.16.07	Capital call	\$80,277.23
	4.25.07	Capital call	\$60,101.56
Nogales Investors Fund I	4.2.07	Capital call	\$107,484.79
	4.4.07	Capital call	\$253,036.44
Nogales Investors Fund II	4.3.07	Capital call	\$208,261.62

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - April 2007

Partnerships	Date	Transaction	Amount
Oak Hill Capital Partners II	4.17.07	Capital call	\$1,500,000.00
	4.30.07	Capital call	\$3,957,762.58
Opportunity Capital Partners IV	4.13.07	Capital call	\$198,543.00
Parish Capital Partners II	4.18.07	Capital call	\$9,655,172.00
Prospect Venture Partners II	4.24.07	Capital call	\$2,000,000.00
Providence Equity Partners VI	4.30.07	Capital call	\$22,480,816.00
Q Street Management	4.24.07	Capital call	\$313,152.72
RFG Private Equity #1C	4.24.07	Capital call	\$302,475.00
	4.26.07	Capital call	\$512,267.00
SAIF Partners III	4.24.07	Capital call	\$14,085,080.97
Sanderling V Biomedical	4.13.07	Capital call	\$1,500,000.00
Sanderling V Biomed Co-Invest	4.13.07	Capital call	\$4,500,000.00
TA Associates	4.30.07	Capital call	\$2,000,000.00
TA Subordinated Debt Fund II	4.30.07	Capital call	\$4,550,000.00
Thomas Weisel Venture Partners	4.5.07	Capital call	\$2,625,000.00
TPG Credit Strategies	4.13.07	Capital call	\$114,834.36
Welsh Carson Anderson & Stowe X	4.16.07	Capital call	\$17,500,000.00
Weston Presidio V	4.10.07	Capital call	\$4,225,000.00
TOTAL CAPITAL CALLS			\$474,899,685.17
TOTAL DISTRIBUTIONS			\$259,918,804.94

INTERNAL PROGRAMS		
Alternative Investment Management (AIM) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Commitment
Attachment 1	Apollo Special Opportunities Managed Account, L.P	\$400 million
Attachment 2	Craton Equity Partners, L.P.	\$40 million
Attachment 3	Silver Lake Partners III, L.P.	\$400 million
Attachment 4	W Capital Partners II, L.P.	\$150 million

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Apollo Special Opportunities Managed Account, L.P.

Action:

Commit \$400 million to Apollo Special Opportunities Managed Account, L.P. (the “Partnership”)

Background:

Apollo Management (“Apollo” or the “Firm”), is a New York-based private equity firm led by Leon Black. Since 1990, Apollo has invested more than \$16 billion in over 250 companies. Given Apollo principals’ deep background in the credit markets, the Firm has developed a number of debt-related lines of business to capitalize on this expertise. The Apollo Special Opportunities Managed Account, L.P. (the “Partnership”) is being formed as a separate managed account for CalPERS to invest in North American and European distressed debt investments, value-driven investments, and other special opportunities. CalPERS has committed \$1.4 billion with Apollo over a 10 year period of time.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Key Principals:

- **James Zelter, Managing Partner, President and COO of Apollo Investment Corporation.** Mr. Zelter joined Apollo in 2006 with over twenty years of investment experience and is responsible for the entire capital markets group of Apollo and co-manager of Apollo Strategic Value Fund. Prior to joining Apollo, Mr. Zelter was CIO for Citigroup Alternative Investments for three years, with a total of twelve years in various positions at Citigroup. Mr. Zelter received a BS in Economics from Duke University.
- **Avi Katz, Portfolio Manager.** Mr. Katz is co-manager of the Apollo Strategic Value Fund. Prior to joining Apollo in 2004, Mr. Katz was a partner at Och Ziff Friedheim Capital Management. Prior to that, Mr. Katz performed distressed debt research at Standard Bank. Mr. Katz has a BS in Accounting and Economics from New York University and is a CFA Charterholder.

- **Matthew Constantino, Partner.** Mr. Constantino is one of the senior partners on the team and comes with private equity experience at Apollo prior to joining the Strategic Value Fund team in 2004. Prior to joining Apollo in 2002, Mr. Constantino was a Principal at ZS Fund, L.P. Prior to that, he worked in mergers & acquisitions with DLJ Securities Corp. Mr. Constantino received his MBA from Wharton and a Bachelor of Science from Wesleyan University.

Analysis:

The senior investment professionals have achieved net returns that have outpaced the private and public markets benchmarks. The Firm has consistently generated top quartile performance in the various Apollo investment partnerships. Since June 2005, the investment strategy employed by the existing distressed debt Apollo vehicles have had only one month with negative returns versus four to eight down months for the various public market indices during that same period of time.

Apollo is uniquely positioned to source the best distressed opportunities from around the world. With offices in London, Frankfurt, Singapore, New York and Los Angeles, Apollo's presence in Europe, North America and Asia gives them an edge versus most others in the industry to access the best investment opportunities globally.

The Fund will employ a flexible investment approach across different markets with a cross-over strategy. Unlike most distressed investment groups, whose performance is typically tied to the credit cycle, the Apollo capital markets team will participate in both public and private transactions, distressed as well as value investment opportunities, and move capital opportunistically across the various sectors in which Apollo has expertise. The combination of private and public expertise creates a unique and flexible strategy which should result in non-correlated returns to other distressed market participants.

Litigation:

According to the Apollo, there is no material litigation pending against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Craton Equity Partners, L.P.

Action:

Commit 20% of commitments up to \$40 million to Craton Equity Partners, L.P. (the "Fund").

Background:

Craton Equity Partners ("Craton" or "the Firm") has established Craton Equity Partners, L.P. to generate attractive returns to investors through investments in companies that have new technologies, processes or intellectual property that assists in satisfying the regulatory demands of federal, state and local governments for improved environmental quality and sustainability. The Fund will pursue investments in companies developing clean technologies for energy generation, water treatment and other environmentally responsible activities, and will focus on business strategies that can be employed to improve efficiency, enhance environmental performance, and increase competitiveness. The landscape of environmental regulation is constantly changing, and new demands for a more sustainable approach to energy and resource management arise regularly. The Fund will concentrate on investments that meet the goals of both the public and private sectors.

The commitment to Craton is a part of AIM's Environmental Technology Program.

Key Principals:

- **Bob MacDonald, Managing Partner.** Prior to forming Craton Equity Partners, Mr. MacDonald Founded Catalyst Energy Corporation, and also Founded Eastrock Partners. In addition, Mr. MacDonald was a Managing Director at William E. Simon & Sons L.L.C. Mr. MacDonald received his BA degree from Fairfield College.
- **Michael Lenard, Partner.** Prior to joining Craton Equity Partners, Mr. Lenard was a Partner at Latham & Watkins and a Managing Director at William E. Simon & Sons L.L.C. Mr. Lenard received his JD degree from the University of Southern California and his BA from University of Wisconsin.
- **John Gerson, Partner, Chief Financial Officer.** Prior to joining Craton Equity Partners, Mr. Gerson was CFO at William E. Simon & Sons L.L.C. and was formerly CFO at KKR. Mr. Gerson received his BA from Pace University.

- **Tom Soto, Managing Partner.** Prior to joining Craton Equity Partners, Mr. Soto founded PS Enterprises (PSE) and Participated in the drafting of the amendments to the National Clean Air Act, and the California Clean Air Act. Mr. Soto received his BA from UCLA.

Analysis:

CalPERS has identified cleantech as an emerging industry and Craton Equity Partners is establishing itself as an active investor in the sector.

Craton Equity Partners possesses an experienced management team which should enable the Fund to effectively analyze a wide range of investment opportunities. The Fund has assembled an experienced team with diverse strengths relevant to the Fund's strategy. Messrs. MacDonald and Lenard have private equity backgrounds, focusing on small cap companies in California, while Tom Soto contributes government and public policy experience that should provide valuable insight and relationships helpful to successfully implementing the Fund's strategy.

The Fund is likely to have access to proprietary deal flow generated through its relationships and experience investing in this sector. The Fund's principals have backgrounds in various sectors which have resulted in unique deal flow. Additionally, the Fund's Board of Director's may create another powerful source of investment opportunities. This network is likely to provide the General Partner an advantage in accessing, evaluating, improving and exiting investments.

Litigation:

According to Craton Equity Partners, there is no material litigation pending against the General Partner or the Principals that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(f).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Pacific Corporate Group.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Silver Lake Partners III, L.P.

Action:

Commit \$400 million to Silver Lake Partners III, L.P. (the "Fund").

Background: Silver Lake Technology Management, L.L.C. ("Silver Lake" or the "Firm") is forming Silver Lake Partners III, L.P. to make private equity buyout and recapitalization investments in the global technology industry. The strategy of the Fund is to combine the General Partner's industry experience, operating skills and financial expertise to invest in attractive technology companies through structured transactions. The Partnership expects to build a portfolio of 10 to 15 technology companies and will focus on companies with enterprise values ranging from approximately \$500 million to \$20 billion or greater. The Firm is comprised of 40 investment professionals and has offices in Menlo Park, New York, and London.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Principals:

- **James Davidson, Managing Director.** Mr. Davidson is a co-founder of Silver Lake and is based in Menlo Park. Previous to Silver Lake, Mr. Davidson was the head of the Technology Investment Banking business at Hambrecht & Quist's ("H&Q") investment banking units. Prior to H&Q, he was a corporate and securities law attorney. Mr. Davidson received a B.S. from the University of Nebraska and a J.D. from the University of Michigan.
- **Glenn Hutchins, Managing Director.** Mr. Hutchins, Managing Director, is a co-founder of Silver Lake and is based in New York. Previously, he held senior roles at two private equity firms, The Blackstone Group and Thomas H. Lee Company. Mr. Hutchins received a B.A. from Harvard University, an M.B.A. from Harvard Business School, and a J.D. from Harvard Law School.
- **David Roux, Managing Director.** Mr. Roux, Managing Director, is a co-founder of Silver Lake and is based in Menlo Park. He was the President and CEO of Liberate Technologies and has held senior positions at Oracle, Central Point Software, and Lotus Corporation. Mr. Roux is a graduate of the Harvard College and received an M.B.A. from Harvard Business School.

Analysis:

The Fund is managed by an experienced investment team with complementary skills. Silver Lake's core investment team has worked together since 1999 and will continue to focus their investment thesis on technology buyout investing. The investment team is comprised of senior level professionals with a complementary mix of investment banking, operating, technology, and legal experiences that help the firm execute its investment strategy.

The Fund will benefit from robust deal sourcing and value creation. Silver Lake has a dedicated focus on the technology sector and distinguished itself from other technology investors with its buyout strategy. In addition, the investment team has a deep network of senior level contacts in the technology and financial community that drives high quality deal flow. The Firm has also created a dedicated Value Creation Team ("VCT") that adds value to its investment beyond capital; the VCT adds value in areas of strategic planning, M&A, capital markets, sales effectiveness, recruiting, supply chain, carve-outs, and other business critical areas.

The market opportunity continues to grow despite the maturation of the technology industry. Silver Lake believes that most investors in technology focus on companies with unsustainably high rates of growth and brand name companies with large market capitalizations. In contrast, the firm believes there is a unique opportunity to invest in undervalued technology companies based on their experience and network.

Silver Lake has generated superior performance since the Firm's inception. The Firm has generated attractive returns and achieved significant realizations in its fund portfolio despite a market downturn in technology spending. In addition, the Silver Lake track record significantly outperformed the Venture Economics upper quartile benchmarks for the given vintage years.

Litigation:

According to the Silver Lake, there is no material litigation pending against the General Partner or the Principals that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(D).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

W Capital Partners II, L.P.

Action:

Commit 20% of commitments up to \$150 million to W Capital Partners II, L.P. (the "Fund")

Background:

W Capital Partners ("W Capital" and the "Firm") is establishing its second fund, W Capital Partners II, L.P., to acquire and manage direct investment portfolios through secondary transactions from corporate, financial, institutional and General Partner sellers. The W Capital Partners team has over 70 years of relevant experience in private equity, venture capital, business operations, corporate finance, mergers and acquisitions, recapitalizations and restructurings. W Capital is headquartered in New York and has seven investment professionals.

This commitment is consistent with the AIM Program Strategic Review because it represents a sizeable commitment to a top performing private equity firm.

Key Principals:

- **David S. Wachter**, Co-Founder, has over 17 years of investment banking and private equity experience. Before establishing W Capital Partners, Mr. Wachter was a Managing Director at Jefferies & Company where he served as the director of the business, information and internet services group. Prior to Jefferies & Co, he served as managing Director and one of the Founding Partners of C.E. Unterberg, Towbin. Mr. Wachter received an MBA from New York University Graduate School of Business and a BS from Tufts University.
- **Stephen N. Wertheimer**, Co-Founder, has experience in restructurings, recapitalizations, capital management, private equity and investment banking. Prior to co-founding W Capital Partners, Mr. Wertheimer was a Managing Director at CRT Capital Group specializing in private equity and corporate financing transactions. Prior to that, he founded and managed the corporate restructurings firm Water Capital Management. Mr. Wertheimer received a Master of Management from Northwestern University, Kellogg School and a BS from Indiana University.

- **Robert J. Migliorino** has venture capital experience having served as a Co-Founder of Canaan Partners and as Vice President and Treasurer of GE Venture Capital Corp. as well as senior operating and workout experience through his 15 year tenure with General Electric Company. Mr. Migliorino, who has particular expertise within the information technology, software and distribution market industries, received a BS from Drexel University.

Analysis:

The Firm has generated top quartile performance for its investors. W Capital's first fund has generated top quartile performance and continues to generate meaningful returns for its investors. The Fund will execute on an investment strategy that is substantially similar to fund I.

W Capital enjoys strong brand recognition among potential portfolio sellers and its portfolio companies. The Firm's professionals have developed strong reputation among portfolio sellers as discrete and responsible portfolio acquirers. In addition, W Capital professionals continue to differentiate themselves from competitors by adding value to their portfolio companies where the fund owns a meaningful ownership interest.

The Fund will provide investors with unique access to a growing market opportunity. Over the last few years, the direct secondary market has grown into a viable liquidity solution for corporations and investment firms. The growth of portfolio sale value and transaction size will prove favorable for the Fund.

Litigation:

According to W Capital there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Hamilton Lane.

INTERNAL PROGRAMS
Risk Managed Absolute Return Strategies (RMARS) Program
Transactions - April 2007

Partnerships	Date	Transaction	
47 North	4/1/07	Initial Contribution	\$
Liberty Square Offshore Partners, Ltd.	4/1/07	Additional Contribution	\$
Rhapsody Fund, L.P.	4/1/07	Additional Contribution	\$
Black River FIRV	4/1/07	Additional Contribution	\$
TOTAL INVESTMENTS			\$
TOTAL REDEMPTIONS			\$

INTERNAL PROGRAMS		
Risk Managed Absolute Return Strategies (RMARS) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Initial Contribution
Attachment 1	47 Degrees North New Generation 1848 Fund, L.P.	\$100 million on April 1, 2007

**Risk Managed Absolute Return Strategies (RMARS) Program
Executive Summary of Action Taken
Under Delegation of Authority**

47 Degrees North New Generation 1848 Fund, L.P.

Action:

Initial contribution of \$100 million to 47 Degrees North New Generation 1848 Fund, L.P. (the "Fund"), on April 1, 2007.

Background:

47 Degrees North New Generation 1848 Fund, L.P. (the "Fund") is a limited partnership managed by 47 Degrees North Capital Management Ltd. ("47N"), who is also the Fund's general partner. 47N and its related entities are majority owned and operated by Claude Porret, Bruno Wicki, and Raphael Blunschi, who prior to forming 47N were instrumental in sourcing emerging hedge fund managers and strategies for RMF. RMF, a subsidiary of Man Group plc, is one of the world's largest fund-of-hedge-fund providers, with more than \$23 billion of assets under management as of January 1, 2007. 47N's primary offices are in Pfaeffikon, Switzerland, and New York. The Fund is the first RMARS "fund of emerging hedge fund" ("FoEmHF") allocation.

Key Principals:

- **Claude Porret, Founding Partner and CEO.** Ms. Porret is a founding partner and CEO of 47N. Prior to co-founding 47N in 2006, Ms. Porret was most recently the head of Hedge Fund Ventures at RMF and a member of RMF's Management Committee. In that role Ms. Porret was responsible for seeding emerging hedge fund managers globally. Prior to joining RMF in 2001, Ms. Porret spent eight years with Hunter Douglas Management as a director, responsible for treasury management and supervision of their in-house hedge fund portfolio. Ms. Porret was previously employed by Salomon Brothers in sales and marketing positions in New York, London, Tokyo, and Zurich, and she began her career in 1981 with Caterpillar Overseas in Geneva. She received her degree as a mechanical engineer from the Ecole d'Ingenieur du Canton de Neuchatel, Switzerland, and her MBA from INSEAD in France. Ms. Porret is based in Pfaeffikon, Switzerland.
- **Bruno Wicki, Founding Partner and CIO.** Mr. Wicki is a founding partner and CIO of 47N. Prior to co-founding 47N in 2006, Mr. Wicki was heading the New Alternatives team within RMF. His responsibilities included researching

emerging absolute return strategies such as insurance and weather derivatives and energy and power trading. Prior to joining RMF in 2002, Mr. Wicki spent five years with Bank Leu, where he provided portfolio consulting services including portfolio optimization and bespoke investment strategy implementation to high net worth individuals and Swiss pension plans. In 2001 he became portfolio manager for the first public catastrophe-insurance bond fund, the Leu Prima Cat Bond Fund. Mr. Wicki received his MBA from the University of Zurich, Switzerland. He is a CFA charterholder, a member of the Swiss CFA Society, and a licensee European Energy Exchange (EEX) power trader. Mr. Wicki is based in Pfaeffikon, Switzerland.

- **Raphael Blunschi, Founding Partner and COO.** Mr. Blunschi is a founding partner, COO, and Head of Product Development for 47N. Prior to co-founding 47N in 2006, Mr. Blunschi was responsible for quantitative analysis and research for emerging hedge fund strategies and markets for RMF in New York. From 2000 to 2004 Mr. Blunschi developed and headed the managed account platform for RMF/Man Investments. Prior to 2000 Mr. Blunschi spent four years at UBS in Zurich and New York, where he was part of the founding team of the UBS prime brokerage division. From 1991 to 1996 Mr. Blunschi worked for a subsidiary of Credit Suisse which specialized in corporate lending and property finance. He is a CFA charterholder and a member of the New York Society of Security Analysts. Mr. Blunschi is based in New York.
- **Roman Berri, Principal and Portfolio Manager.** Mr. Berri is a principal of 47N and responsible for portfolio management. Before joining 47N in 2006, Mr. Berri was a portfolio and risk manager within the Hedge Fund Ventures team at RMF, where he also performed manager screening and due diligence. Before joining the Hedge Fund Ventures team in 2003, Mr. Berri attended the RMF Alternative Investment Academy. This program included positions in hedge fund research, Hedge Fund Ventures, portfolio management, convertible bond trading, and futures trading. Mr. Berri received his MBA from the University of Zurich, Switzerland. Mr. Berri is based in Pfaeffikon, Switzerland.

Analysis:

- **The Fund draws upon the emerging-manager expertise of an established team.** One essential element in developing a strong fund of emerging hedge funds is experience. Hedge funds with shorter track records offer less opportunity to “get inside the numbers.” Instead, a FoEmHF manager must have the ability to spot talent and make a variety of qualitative and quantitative assessments. As one of the world’s largest FoHF managers, RMF has a constant need to source new hedge fund talent in order to ensure that its clients’ assets are invested prudently and successfully. RMF’s emerging-manager and emerging-strategy programs were highly successful

in identifying and funding promising new hedge funds in both traditional hedge fund strategies such as long/short equity and in more “alternative” hedge fund strategies such as power trading. The 47N team offers RMARS the combination of years of experience drawn from RMF with the high level of client service available from a “boutique” investment manager.

- **47N has a well-developed global network.** Sourcing and funding emerging hedge fund managers requires an extensive global network – one which will aid in the spotting of opportunities wherever they are located, not just in the major hedge fund centers. The challenge to locate enough solid hedge-fund talent to satisfy RMF’s needs led the 47N team to meet with hundreds of fund managers and other parties across the globe – and as their network has grown, so has the depth of the opportunity set available to them. The 47N team has a broad range of expertise and contacts globally – the Fund’s initial portfolio includes managers from six countries on three continents covering a variety of strategies. RMARS Staff believes that 47N will continue to source talented new managers and strategies over time.
- **The Fund should provide consistent risk-adjusted returns.** RMARS Staff believes the 47N team is well-positioned to source promising new and newer absolute return strategies and managers which should provide strong risk-adjusted returns. The Fund will be fairly concentrated, with between 10 and 25 hedge funds at any given time. This concentration will likely result in an annualized volatility profile somewhat higher than for more diversified FoHFs. In addition, because newer absolute-return managers are less “tried and tested” by the markets, it is possible that the dispersion of returns among the managers in the Fund’s portfolio may be broader than for FoHFs consisting of established managers. (The key, of course, is providing consistently strong risk-adjusted returns *on a portfolio basis*.)

However, staff’s expectation is that the Fund will nonetheless satisfy RMARS’ “T+5” return requirement because of 47N’s demonstrated ability to locate and invest in successful hedge funds. Staff believes that this trade-off is acceptable and appropriate. Staff also expects the Fund to maintain a fairly low correlation and beta to broader equity markets. Over time, the Fund should provide for consistent risk-adjusted returns which will serve CalPERS well both as a free-standing investment and as a diversifier in the context of the broader RMARS portfolio.

Litigation:

To the best of its knowledge and belief, there is no current, threatened or pending litigation against 47N or any of its related entities that may adversely affect the 47 Degrees North New Generation 1848 Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has conducted Due Diligence on this transaction with assistance from the Petra Group.